



State of New Jersey

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January 6, 1984

Honorable Reginald Stanton, J.S.C.
Morris County Courthouse
Morristown, NJ 07960

Re: State of New Jersey, DEP v. Scientific
Chemical Processing

Dear Judge Stanton:

By letter dated January 19, 1984, Paul S. Barbire, Esquire, Mr. Presto's law partner, advised me of his position that Mr. Presto did not have an interest in property known as Lots 36 and 37B, in Block 157, Borough of Lodi, Bergen County, New Jersey, when it was conveyed. This is the property which is the subject of my motion, returnable on February 10, 1984.

In support of his position, Mr. Barbire provided me with the following documents, all of which are attached hereto:

- 1) G.P.S. Partnership Agreement showing that Mr. Presto and Mr. Sigmond each owned a 25% share of the partnership;
- 2) Agreement, dated July 24, 1982, showing that Leif R. Sigmond sold his interest in the partnership for the sum of \$22,525.
- 3) Check dated September 2, 1982, in the amount of \$19725. (According to Mr. Barbire, this check was paid to Mr. Presto by Mr. Grella in exchange for Mr. Presto's interest in the G.P.S. partnership.)
- 4) Bank statement of Grella-Presto, dated September 2, 1982, showing deposit of the sum of \$23,225.

By letter dated January 25, 1984, I advised Mr. Barbire that the above documents do not provide sufficient facts to show that Mr. Presto and/or Mr. Sigmond did not have an interest in the above



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property, At the outset it is important to note that Mr. Barbire did not provide me with a copy of the deed for the conveyance. However, it is my understanding that both Mr. Presto and Mr. Sigmond executed same. If this is so, they clearly had a sufficient interest in the subject property to require an order of this Court approving the conveyance.

In addition, numerous other questions must be answered before a determination can be made as to Mr. Presto's position in connection with this conveyance.

1. What were the terms of the buy-out by Mr. Grella, if in fact one occurred? Since no written agreement was apparently executed for this transaction, no information is available as to its terms. Moreover, no information is provided as to whether Mr. Sigmond and/or Mr. Presto executed deeds conveying partnership property to Mr. Grella at the time of the alleged buy-outs.

2. Were the buy-outs of Mr. Presto's and Mr. Sigmond's shares of the partnership at a fair price? No information is provided as to the total contribution made to the partnership by either of these individuals.

3. Payment to Mr. Presto was transferred to another partnership involving Mr. Grella, known as Grella/Presto. However, no information is provided as to the nature of this second partnership. Accordingly, I am not able to determine whether, in fact, Mr. Presto conveyed his interest in the subject property.

Given the above circumstances, I respectfully submit that Mr. Presto and Mr. Barbire should not have allowed closing on the above property to proceed until this Court approved same. All parties to this action are well aware of Your Honor's Order, dated June 16, 1983, requiring leave of the Court before they conveyed any interest in their real property. In the present situation, it appears that Mr. Presto and Mr. Sigmond totally disregarded this Court's direction.

For the foregoing reasons, I respectfully request that the State's motion to void conveyance of the above property be granted.

Thank you for your attention to this matter.

Respectfully yours,

IRWIN I. KIMMELMAN
Attorney General of New Jersey

By David W. Reger
David W. Reger
Deputy Attorney General

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Enclosures
cc All counsel
Mr. Leif R. Sigmond
Mr. Herbert G. Case
Jerry Burke, ORS